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# AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE DIVISION OF COOPERATIVE MARKETING,  
BUREAU OF AGRICULTURAL ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

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## LARGE QUANTITY OF GRAIN MARKETED COOPERATIVELY

Wheat, corn, oats, rye, barley, flax, and other grains to the amount of one-half billion bushels were marketed during the 1926-27 season through the 3,330 farmers' elevator associations listed by the United States Department of Agriculture. This grain had a sales value of approximately \$450,000,000. The quantities handled were estimated as follows: wheat 213,000,000 bushels; corn, 152,500,000 bushels; oats, 98,500,000 bushels; barley, 16,500,000 bushels; flax, 9,000,000 bushels; rye, 8,500,000 bushels; other grains, 2,000,000 bushels.

Nearly one-half of the total quantity of grain was handled by the associations in three states, Illinois, Iowa and Kansas. The associations in eight states handled more than four-fifths of the total.

Of the 23 states in which the 3,330 associations were located, Illinois with the largest number of associations handled the most grain, its 439 organizations being credited with marketing 110,000,000 bushels having a sales value of \$73,000,000. Other leading states in the order of their relative importance as to number of bushels handled were; Iowa, 371 associations, 69,000,000 bushels, \$39,000,000; Kansas, 346 associations, 61,000,000 bushels, \$75,000,000; Nebraska, 351 associations, 48,000,000 bushels, \$46,000,000; North Dakota, 393 associations, 40,000,000 bushels, \$49,000,000; Minnesota, 303 associations, 38,000,000 bushels, \$32,000,000; Ohio, 206 associations, 26,000,000 bushels, \$22,000,000; Indiana, 131 associations, 20,000,000 bushels, \$15,000,000.

The total value of the grain for the various states was largely influenced by the quantities of wheat handled. In those states where the associations were engaged chiefly in marketing wheat the values were larger than in those states where corn or oats were handled in large quantities.

Owing to a partial crop failure in sections of the spring wheat area in 1926, the number of bushels handled is probably smaller than would be the case in a normal year.

Approximately 17,500,000 bushels of wheat were marketed by the nine wheat pools which were active in the 1926-27 season. This quantity added to that handled by the farmers' elevators makes a total of 230,500,000 bushels of wheat marketed by these two types of associations. In addition a portion of the wheat sold by the cooperative sales agencies located in the terminal markets came from other than the associations already mentioned. These figures indicate that about 28 per cent of the total wheat produced in 1926 was handled by cooperative associations.

TERMINAL ELEVATOR PLANNED FOR GRAND FORKS

A new company known as the Wheat Growers' Cooperative Terminal Company is being incorporated in North Dakota for the special purpose of building a terminal elevator at Grand Forks to aid in handling the increasing business of the North Dakota Wheat Growers' Association. The incorporators are the directors of the North Dakota Wheat Growers' Association, Grand Forks.

The new terminal is to be a fire-proof structure, modern in every detail of construction and equipment. It will be utilized for cleaning, mixing, conditioning and drying grain, in order that the North Dakota and Montana wheat of high protein content may be in condition to receive favorable premiums on the market.

As many North Dakota and Montana farmers' elevators are signing contracts to deliver wheat to the association, the management considers it necessary to control terminal space at Minneapolis and Duluth, and to have some place in North Dakota for mixing and conditioning grain. Plans provide that the elevator may also handle grain other than that delivered by members of the Wheat Growers' Association.

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NEW TERMINAL ELEVATOR FOR SASKATCHEWAN WHEAT

Announcement is made by the Saskatchewan Cooperative Wheat Producers, Ltd., Regina, that another terminal elevator is to be erected at Port Arthur, Ontario. The new elevator, which will be known as Pool Terminal No. 7, will have a capacity of 6,900,000 bushels and will be equipped with the most approved machinery for the speedy handling of grain. It will be able to unload 390 cars in 10 hours, or 500 cars of grain per day during the rush season, and ship out at the rate of 15,000 bushels per hour.

Reinforced concrete will be used for the construction, and the best possible protection from fire will be provided. The various parts of the plant are listed as follows: a workhouse, a track shed with five automatic car dumpers and five hand dumping pits, two storage annexes, a drier plant capable of drying 1,000 bushels per hour and equipped with a boiler house, an office and sub-station building, a marine tower in one of the storage annexes, and a reinforced concrete dock arranged for vessels loading or unloading at the elevator.

Construction of this elevator was authorized at the annual meeting in December and work on the foundation has been proceeding for some time. A contract for the building was let on April 17, and plans call for its completion by December and will give the Saskatchewan Wheat Pool more than 50,000,000 bushels of storage space for handling grain.

COOPERATIVE ELEVATORS SUGGESTED FOR ARGENTINA

A communication in the April issue of La Cooperacion Libre, published at Buenos Aires, Argentina, urges the wheat producers of that country to form cooperative associations for owning and operating elevators in the wheat producing sections and at the principal export cities, that grain may be under the control of the producers until it reaches the buyers in the world markets. In the past, South American wheat has been moved to market in sacks but it is now pointed out that it will be necessary to move the grain in bulk if it is to be marketed most economically and to the advantage of the producers, also that the producers should be the ones to introduce a new system of marketing.

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DIRECTORS ATTEND COOPERATIVE SCHOOL

A cooperative school was held by the Texas Wheat Growers' Association at Amarillo, Texas, early in April, in connection with the meeting of the board of directors of the association. The program for the school consisted largely of discussions of the various problems confronting the members. Charts were used by a number of speakers to aid in giving those in attendance a clear picture of the propositions presented. Among the subjects given special consideration was that of the legal status of cooperation in the light of the recent decision of the Supreme Court of the United States. The several sessions of the school were attended by the wives of the members of the association as well as by the members themselves.

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LOCAL GRAIN ASSOCIATION MAKES OPTIMISTIC REPORT

The year 1927 was an important one for the Farmers' Grain Association, Benedict, Nebr. More grain, 436,100 bushels, was handled than in any year since 1915, and earnings were the largest since organization in 1902. The highest dividends in the history of the association were paid on capital stock, and the year closed with the largest number of shareholders recorded at any one time.

During the year an oil department was added which returned net earnings of \$1,509. Net earnings for some other products were: wheat, \$7,890; corn, \$6,436; oats, \$937; flour, \$59; feed, \$718; miscellaneous activities, \$2,026. A patronage dividend of 3 cents a bushel on grain was made from earnings, also a patronage dividend of 20 per cent on purchase of oil. Outstanding capital stock amounts to \$22,050; land, buildings and equipment are valued at \$40,422. Surplus at the close of 1927 amounted to \$19,333.

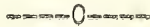


### NINE YEARS MORE OF COOPERATIVE POTATO MARKETING

Nine years more of cooperative potato marketing in Colorado are assured by the recent action of the membership of the Colorado Potato Growers' Exchange, Denver, in signing marketing contracts covering that period of time. The original marketing contract of the exchange was for five years and expires with the 1927-28 season. The new contract was offered to the potato producers by the member-units of the exchange, each in its own way. Many of the signatures were obtained by grower-to-grower solicitation.

According to an official statement, several of the local units have as many acres pledged under the nine-year contract as they did under the original five-year contract, and one local has a larger number of acres signed. The management estimates that the exchange will market the potatoes from 25,000 acres this coming season. Plans are being developed for erecting additional plants for handling and storing the crop.

A preliminary report for the 1927-28 season indicates that shipments will amount to about 7,000 cars and that gross sales will exceed \$6,000,000.



### MICHIGAN FRUIT ASSOCIATIONS ARE FEDERATED

Representatives from nearly all the 19 associations making up the Michigan Fruit Growers, Inc., attended the annual meeting of the association at Benton Harbor, Mich., on April 12. The member-units of this federation are engaged in marketing apples, pears, peaches, cherries, and raspberries. Apples, pears, and peaches are graded, packed and prepared for shipment or sale by the local associations. A large portion of the annual cherry and raspberry crops, however, are sold by collective bargain to the processors on a pool basis.

The management of the federation believes that the cold processing of Michigan fruits will permit considerable expansion and that grapes, peaches and plums can be processed as well as cherries and berries. He also believes that the processing of grapes for jam and jelly will prove profitable to the fruit growers.

The federation was formed in 1923 for the purpose of aiding in marketing the fruit crops of southwestern Michigan. In addition to functioning as a marketing organization, the federation has also handled legislative and traffic problems bearing upon the economic welfare of the fruit growers. It is now proposed to develop an advertising program around the trade-mark which has for its key word "Michigander."

Plans are also being made to publish an association magazine to keep the members of the locals informed regarding the activities of the federation and its units.

MELON ASSOCIATION WITHDRAWS FROM CERTAIN AREAS

Several local communities in Georgia are not to have the services of the Sowega Melon Growers Association, Adel, Ga., according to a recent decision of the executive committee. The communities in question are not producing any melons, or are not producing large enough quantities to enable the association to operate economically, therefore, the association is to withdraw from that territory and release any resident members from their contracts. Three of the locals, organized in 1924, have never produced any melons, before or since that time.

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NEW ACREAGE ADDED TO YAKIMA FRUIT ASSOCIATION

Approximately 1,800 acres of new crops were under contract to the Yakima Fruit Growers' Association, Yakima, Wash., up to April 1. As 500 acres were withdrawn this left a net gain of 1,300 acres, assuring the association of a large volume of business for the year. Of the new acreage, 1,515 acres were tree fruits, 193 acres were asparagus, and the remainder was grapes, potatoes and strawberries.

The last of the 1927 apples will probably be shipped by the middle of May. Shipping of asparagus began before the close of the apple shipping. The new asparagus acreage means a several fold increase in that commodity. Many growers have been raising this crop experimentally for the past few years.

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OPTIMISTIC REPORT BY WASHINGTON APPLE COOPERATIVE

Plans are being considered by the management of the Wenatchee District Cooperative Association, Wenatchee, Wash., for the conversion of waste apples into by-products. It is hoped in this way to increase the amounts available for distribution to members.

The field work in behalf of new tonnage has resulted in signatures representing approximately 175 cars of fruit.

At the annual meeting of the trustees of the Wenatchee District Agricultural Credit Corporation held April 10, it was reported that the net earnings for the year ending March 31 were \$7,322. The trustees authorized an eight per cent dividend on both common and preferred stock, the passing of \$1,000 to the surplus account, and the setting aside of \$500 for income taxes and miscellaneous expenses. This is the third consecutive year that dividends of 8 per cent have been paid on all outstanding stock.

PLAN FOR REORGANIZING PRUNE AND APRICOT GROWERS .

A committee on reorganization was appointed late in 1927 by the California Prune and Apricot Growers' Association, San Jose. Its duties were "(1) to consider the advisability of the formation of a holding company to take over and dispose of the assets of the present association, which assets belong in equity to the various grower-members of the association; (2) to suggest some plan by which growers believing in cooperative marketing and anxious to carry on the principles of cooperative marketing in the prune and apricot industry, might take over the work of the association . . . . "

The report of the reorganization committee has been published. In regard to the first duty the committee concluded ". . . . the directors of the California Prune and Apricot Growers Association constitute just such a trusteeship as is contemplated by the resolution; therefore, the committee feels that it has no duty to perform in regard to the first specification contained in the resolution." Further comment included the statements: "We cannot hope to have others work out plans for our future prosperity for us. We must do that ourselves."

Much study was given to the second duty, that of devising a plan for carrying on cooperative marketing among those members who wished to cooperate. This work included interviews with leading agriculturists and a study of the objections which had been made to the form of the present association. As a result the committee recommended a form of organization based on local associations federated to form a central sales agency, modeled after the plan of some of the California associations which have proved outstanding examples of successful cooperation.

The proposed plan provides for a complete decentralization of the present organization and the sale of packing houses to local associations, with provision for distribution of payment for the same over a period of years. Provision is also made for an annual withdrawal privilege, for direct election of representatives by growers, local ownership and management of packing properties, and management of the central sales agency by a board of directors more directly responsible to the grower-members. In order to carry out this plan the reorganization committee prepared forms for the necessary amendments to the articles of incorporation and by-laws, also made suggestions for contracts between the grower-member and the local association, and between the local association and the central selling agency. The committee also drafted suggested articles of incorporation and by-laws for local associations.

The report of the committee with proposed amendments to the by-laws of the association was laid before the members that they might pass upon them at the annual meeting scheduled for May 9.



BUTTER OUTPUT HAS INCREASED

Since the Manitoba Cooperative Dairies, Ltd., Winnipeg, Man., began operations in 1921 it has returned to its patrons in interest and bonuses, in cash or credit, nearly \$75,000, according to a report by its management. During the same time the members of the association have subscribed and paid for capital stock in the organization to the amount of \$77,202. Thus the farmers of Manitoba now own the creamery and its equipment, valued at \$90,000, and have received refunds practically covering their investment. At the same time they have received better prices for their butterfat, and the quantity of butter produced has increased from about 300,000 pounds in 1921 to 1,637,000 pounds in 1927.

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MICHIGAN CREAMERY SERVES MANY MEMBERS

Business to the amount of \$128,907 was reported for the year 1927 by the Cedar Springs Cooperative Co-partnership Creamery, Ltd., Cedar Springs, Mich. Of this amount \$5,450 came from sales of merchandise and practically all the rest from sales of butter and butter-milk. The greater part of the butter made was sold at retail. Patrons received \$106,072, expenses amounted to \$24,338, leaving a deficit of \$1,502 for the year. The surplus amounted to \$5,379 after the deduction.

This association was formed in 1915 and had 640 members on January 1, 1928.

Available figures for the years since 1921 are given below:

Year	Total business	Butter made	Paid patrons	Average price to patrons	Profit or loss
		(Pounds)		(Cents)	
1921	\$152,384	-----	-----	---	----
1922	126,696	-----	-----	---	----
1923	152,477	-----	-----	---	----
1924	127,719	322,333	\$105,387	---	\$2,323
1925	139,965	327,597	120,188	47½	158
1926	125,784	309,675	106,505	45	348
1927	128,907	280,189	106,072	48	1,502 Loss

Some merchandise is handled, including cans, separators, coal and oil.

### SELLS BUTTERFAT AND EGGS FOR FARMERS

Butterfat sales by the Mt. Gilead unit of the North Central Ohio Cooperative Dairy Sales Association were \$58,201. Egg sales amounted to \$18,937 and butter sales, mostly to members, were \$2,569. This association which was formed about five years ago has a membership of 165 and also serves a large number of nonmembers. In addition to marketing farm products it handles mixed feeds and other dairy and poultry supplies. It pays a patronage dividend annually of 3 cents a pound on butterfat.

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### NEW MILK MARKETING ASSOCIATION BEING FORMED

Milk producers in the East St. Louis territory are carrying on a campaign to enlist members in the new organization, the St. Louis Milk Producers' Cooperative Association. At a recent meeting of the board of directors a program for the work of the association was outlined as follows: (1) Efficiency in production, (2) quality improvement, (3) stabilization of our market, (4) a price that the market will afford, (5) check weights and tests, (6) check dealer responsibility, (7) get out information to membership, (8) advertising to consumer.

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### MICHIGAN CREAMERY MAKES NEW START

Nineteen twenty-four was a hard year for the Marion Cooperative Creamery, Marion, Mich., and it was obliged to close its factory for a part of the year. It had a debt of \$4,000, insufficient equipment, no credit, and very little good will. Only 57 cream producers were willing to support the organization but the creamery was opened early in 1925 under new management and with a new board of directors. Subsequent events have justified the attempt to resume operations. In spite of many difficulties good progress has been made. The debt has been wiped out and new equipment to the value of \$3,200 has been bought and paid for; the volume of butter has increased from 122,000 pounds in 1925 to over 500,000 pounds in 1927; the membership has grown to 400; credit has been built up and good will created; and patrons have received 10 cents more a pound for their butterfat than they did three years ago.

The farmers' Cooperative Creamery Company was incorporated in February, 1916. Its business in 1921 amounted to \$49,000; in 1922, \$67,383; in 1923, \$95,234; in 1925, \$95,115; 1927, \$155,205. Formerly the company handled eggs and poultry.

LAND O'LAKES CREAMERIES HANDLING EGGS

Eggs are being marketed by the Land O'Lakes Creameries, Inc., Minneapolis, Minn. Eighty-six of the member-unit creameries of the big marketing organization were receiving and forwarding eggs during April. Eggs are concentrated at Minneapolis, Duluth and Thief River Falls, where they are graded and packed according to the requirements of customers.

According to the present plan, farmers are given an advance equal to the current value of ungraded eggs at the time of delivery to the creameries, later a premium will be paid on all eggs that grade up to the Land O'Lakes standard. These premiums will be paid about the 20th of the month following that in which the deliveries were made.

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PACIFIC COAST EGGS GO TO SOUTH AMERICA

Fifty thousand cases of Pacific Coast eggs left San Francisco April 3, in the hold of a steamer bound for Buenos Aires, South America. Of this quantity 20,000 cases were loaded at Seattle from the Washington Cooperative Egg and Poultry Association, and 30,000 cases were taken on at San Francisco from the Poultry Producers of Central California. The California eggs were assembled by the local associations, each contributing one or more car loads. Petaluma contributed 21 cars and Santa Rosa 10, these 31 cars leaving Petaluma for San Francisco in one solid train. The entire shipment representing 100 car loads, went to a single purchaser in Buenos Aires. This was the largest quantity of fresh eggs ever shipped to a foreign country by United States producers.

All the eggs were produced by members of the Washington Cooperative Egg and Poultry Association and the Poultry Producers of Central California, and while the shipment seems large it represents less than the quantity produced in a single week by the two organizations. All the eggs were infertile, and none were more than a week old when loaded on the ship. The shipment was under refrigeration.

As South America is in the Southern Hemisphere where winter prevails during our summer and vice versa, eggs are scarce there during the early spring months and command good prices. Eastern shippers have taken advantage of this situation and shipped many eggs during the spring months but this was the first large shipment from the Pacific Coast and the managers of the two associations feel this is an important step in developing new outlets for their heavy production.



WYOMING ASSOCIATION MARKETS DRESSED TURKEYS

Returns from turkeys shipped by the Wind River Cooperative Marketing Association, Lander, Wyo., amounted to \$54,393 for the season ending March 1, 1928. The total income of the association was \$54,802. This association, which was organized in 1925, is serving nearly 250 farmers. In 1925 it marketed 57,909 pounds of dressed turkeys and in 1926, 115,000 pounds.

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CALIFORNIA ASSOCIATION COLLECTS EGGS

Increased quantities of eggs were handled by the Tulare Cooperative Poultry Association, Tulare, Calif., during March. Total sales for 2,000 cases of eggs were \$14,738. Six truck routes have been established and two collections are made on each route each week. Eggs and poultry are collected from 56 poultry ranches. In addition to marketing poultry and eggs the association handles feed and poultry supplies for its members. Sales of these products amounted to more than \$11,000 for March.

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EGG AND POULTRY MARKETING IN MARITIME PROVINCES

About 100 egg circles in New Brunswick and Nova Scotia are served by the Maritime Cooperative Egg and Poultry Exchange, Saint John, N. B., a cooperative sales agency. Circles which are about equally divided between the two provinces vary in size from a few members to 80, the total membership of all the circles being about 1,700. The circles assemble and forward eggs which are graded and sold on a basis of quality, returns being made to producers on weekly pools with refunds at the close of the season from earnings.

Collateral notes given by the circles on the basis of \$20 for each member are used for financing the Exchange.

A subsidiary organization has been created by the Exchange for the production of day-old chicks.

The cost of marketing eggs has been about 6 cents a dozen, including freight which is pooled. Net earnings have been sufficient to permit a refund of 3 per cent of sales value in addition to increasing the reserve.

The Exchange handles the products of its members on a contract basis and in addition receives and markets eggs and poultry for non-members, but only members share in the patronage dividends.



INDIANA LIVESTOCK ASSOCIATION MARKETS MANY ANIMALS

The Producers' Commission Association, Indianapolis, closed its first five years of business activity on March 31. During its short life it has handled more than four and a quarter million animals valued at almost \$100,000,000. For the last year it handled 10,991 cars of livestock compared with 9,626 for the preceding year. According to the statement of the management this association handled about 28 per cent of the receipts at the Indianapolis livestock market during the twelve-month period.

By action of the board of directors one-fourth of the amounts paid to the association as commissions will be refunded to the shippers as a patronage dividend. In addition, a substantial amount will be added to the association's reserve.

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MISSOURI COLLEGE TO ACCREDIT LIVESTOCK CO-OPS

Livestock shipping associations in Missouri are to receive certificates from the Missouri College of Agriculture, if the tentative plans recently announced are carried out. This is a measure to promote efficiency in production and marketing, including the adoption of uniform practices, the dissemination of market and price information, increase in volume of shipments, and reduction of costs.

Suggested requirements for an accredited association include the following: an incorporated association; an approved set of books; a manager under adequate bond; an annual audit made and the report published; provision for an adequate sinking fund or for commercial insurance; handling of not less than 60 per cent of all shipments originating in the territory served, board meetings quarterly, or preferably monthly; at least two membership meetings annually; election of directors annually; regular preparation and filing with the college or its extension agent of two copies of each monthly or periodical report, as well as the annual report of manager on forms provided by the college.

The college has records of 463 associations in the state which are eligible to qualify as accredited associations when they meet the conditions. These associations have a membership of 95,000 farmers and in 1927 shipped livestock to the value of \$38,000,000. Their total shipments aggregated slightly more than one-fifth of the total for the state.

Representatives of the college and of livestock associations are to attend meetings of shipping associations during May and June and discuss the factors which make for efficiency in production and marketing.

### FARMERS' COMPANY OWNS WOOL WAREHOUSE

Thirteen counties were represented at the recent annual meeting of Ohio growers owning the wool warehouse at Columbus, Ohio. The 1,980 shareholders making up the company receive 6 per cent interest on their capital stock holdings. The management of the company reported \$9,000 in the reserve fund at the close of the year.

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### WOOL GROWERS FORM NATIONAL MARKETING COUNCIL

The National Wool Marketing Council was organized in December by representatives of wool growers' cooperative marketing associations. Five directors were appointed who held a meeting at Ogden in connection with the meeting of the National Wool Growers' Association, January 15 to 21, and completed the details of organization. It is proposed that the council be made up of those actually engaged in marketing.

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### MARYLAND WOOL POOL ANNOUNCES NEW PLAN

The Maryland Farm Bureau Wool Pool, Inc., Baltimore, is ready to handle 1928 wools and announces that it will name a guaranteed weekly price. For its services the pool will make a charge of one-half cent per pound to farm bureau members and one cent to nonmembers. This will provide growers with a cash market for all wool shipped. Sacks and tags are being supplied to growers for use in shipping the wool to Baltimore. The pool operated last year on a one-cent handling charge.

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### OHIO WOOL ASSOCIATION TELLS HOW IT WORKS

"Selling Wool" is the title of a booklet issued by the Ohio Wool Growers' Cooperative Association, Columbus. It tells in some detail just how the association handles wool from grower to mill, with the necessary grading and other steps involved; explains the business practices employed and the orderly system by which the wool is sold; and presents some information regarding the association and the wool industry. Samples of forms used by the associations in its transactions are reproduced and wool grades and their meaning are explained. The publication was prepared specially for use in connection with the campaign for increased membership and volume of business.

TENNESSEE COTTON GROWERS REMINDED OF DUTIES

Three duties are outlined to its members by the Tennessee Cotton Growers' Association, Memphis. These are as follows: First, inform yourself regarding the purposes of cooperative marketing and the operations and problems of your association; second, support your organization by living up to your marketing contract and other obligations; third, elect competent men as directors of the association. The third is considered as most important of all, in some ways, and members are urged to vote.

The "city crop" of the association, consisting of samples, pickings from damaged bales, loose cotton from warehouse floors, etc., amounts to nearly 30 bales this year and had brought in \$1,703 up to March 20 with from one to two thousand pounds more to bale and sell. This is clear gain to members of the association.

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CONSTRUCTIVE RECORD OF STAPLE COTTON ASSOCIATION

Approximately 1,192,000 bales of cotton have been handled by the Staple Cotton Cooperative Association, Greenwood, Miss., since it began operating in the summer of 1921. This figure includes an estimate for the current year. The cotton had a valuation of about \$141,622,000 and the members of the association received advances to the amount of \$131,497,819, at an average interest rate of 5.2 per cent.

In enumerating the constructive activities of the association the management lists the following:

1. It has saved hundreds of thousands of dollars to cotton growers, cotton handlers and compress interests through a reduction in cotton insurance rates.
2. It has created new standards for staples and established new measures of efficiency in handling cotton.
3. It has handled a large volume of business at an average net cost of  $1\frac{1}{2}$  per cent of sales.
4. It has created the Staple Cotton Discount Corporation as an affiliated association which has furnished production credit to its membership to the amount of \$5,863,398 at an average annual rate of six per cent per annum for the time actually covered.
5. Following the Mississippi flood of 1927 it distributed more than \$3,000,000 in five months, it having protected the cotton of its members with flood insurance to the amount of \$2,786,000.



### ADVANTAGES OF INCORPORATION

Unincorporated associations of growers or producers labor under distinct handicaps. Month after month, one unincorporated association after another encounters legal obstacles that should convince all producers of the benefits of incorporating their organizations. For instance, the Newton County Farmers and Fruit Growers' Exchange brought suit in Missouri against the Kansas City Southern Railway Company, 2 S. W. (2) 125, in its own name. It was an unincorporated association. The lower court held that it did not have the authority or capacity to sue in its own name and, therefore, judgment was rendered in favor of the railway company. On appeal the judgment of the trial court was sustained and the court said: "That the general rule is that a voluntary or unincorporated association cannot, in the absence of statutory authority, sue nor be sued as such, can not be denied."

It appeared that a statute of Missouri authorized suits against unincorporated associations in their name, but the statute did not authorize such associations to bring suits, hence the court was of the opinion that the common-law rule still prevailed which prevented such associations from suing in their own name. Of course, all the members of an unincorporated association could be named in the complaint and the suit could thus be brought in the name of all the members, but it is an onerous undertaking to name perhaps several hundred members as parties plaintiff. In Minnesota it appears that a statute of that state authorizes the bringing of suits against unincorporated associations in their name, but does not permit such associations to bring suit in their name, and, apparently, other states have similar provisions in their laws.

Aside from the matter of litigation, unincorporated associations suffer from other handicaps, one of the most serious of which is the fact that members of unincorporated associations that are engaged in business have virtually the same liability, generally speaking, as the members of an ordinary partnership. There are many instances on record in which a party having a claim against an unincorporated association has picked out a few of its members, presumably the financially stronger, and brought suit against them, thus compelling one or at the most a few of the members of such an association to pay the entire amount of his claim. Of course, the other members of the association could be compelled to contribute on a share basis toward the amount that the members who were sued were compelled to pay, but, in the absence of voluntary action along this line by the members who were not sued, another suit would be necessary to bring about a division of liability.

Again, difficulty may be experienced by an unincorporated association in the matter of taking or transferring title to property.

The advantages of incorporation are so many and the expense so small that it is difficult to see why all organizations of farmers that are to engage in business do not incorporate.

L. S. Hulbert.



DIVISION ASSISTS AGRICULTURAL TEACHERS

Increased interest in the teaching of cooperative marketing in agricultural high schools has created a demand for textbooks, bulletins and other material which will be useful to the teachers. The Division of Cooperative Marketing of the U. S. Department of Agriculture and many state agricultural colleges have issued publications which can be combined to furnish at least a part of the subject matter needed for instructive courses.

Publications by the Division of Cooperative Marketing are of the following general types:

1. Bulletins describing the cooperative marketing of particular commodities, the marketing problems involved and the policies and practices. Such publications have been issued fairly recently for citrus fruit, cranberries, cotton, grain, and livestock.

2. Publications which describe and analyze the economic problems of a region with special reference to the cooperative marketing of one or more products. Examples of this type of publications are entitled, "Some Economic Aspects of the Marketing of Milk and Cream in New England," and "Demand, Marketing, and Production of Oregon and Washington Prunes," both of which appeared in 1927.

3. Publications dealing with the statistics of cooperative marketing, i.e., number of associations, number of members, volume of business, etc.

4. Publications which report the result of business analysis studies of individual cooperatives. In a bulletin of this kind, there is given a detailed picture of the economic setting of the association, and its policies and practices are critically reviewed in the light of results obtained. Bulletins reporting the results of studies made of associations marketing cotton, citrus and deciduous fruit, eggs, and livestock have appeared or are now in press.

5. Mimeographed circulars dealing with special phases of cooperative marketing, or preliminary reports of uncompleted studies, have been issued. A list of these will be furnished upon request.

In addition, the Division has furnished the subject matter for four two-reel films on cooperative marketing which can be loaned to teachers. Several still-films to be used with a "Strip-film" projector, have been prepared, and may be purchased at a small cost. A series of cooperative marketing charts is also available at minimum expense.

Many teachers wish to offer a course which will give students an elementary knowledge of the principles of cooperative marketing, and desire to plan community surveys for studying the organization and practices of local associations. The specialists of the division will gladly assist teachers in outlining courses and in selecting suitable material for filling in the gaps in the subject matter.

A. W. McKay.

### MUTUAL HAIL INSURANCE IN ALBERTA

A gain of approximately 36 per cent since 1920 in volume of insurance written, is reported by the Alberta Municipal Hail Board, the figures being as follows: 1920, 7,747 applicants, 1,139,000 acres; 1927, 10,407 applicants, 1,551,000 acres. The increase is said to be spread fairly well over the province.

Over a period of years the average hail loss has been 7 per cent of the insurance, but in 1927 the Municipal Hail Board of that province reported losses of over \$2,500,000 on risks amounting to \$14,772,000, approximately 17 per cent. One single storm cost as much as all the storms of 1926. One district suffered from ten hail storms, others from seven, eight and nine, each.

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### COOPERATIVE DEVELOPMENT IN NEW YORK STATE

Thirty-three cooperative associations were formed under the New York State cooperative law in 1927, according to a recent report from the New York State Department of Agriculture and Markets. Twenty of the associations were organized by farmers and thirteen by groups of consumers. Twelve of the farmers' associations were for the marketing of dairy products, one was for marketing fruit, and seven were for the purchase of farm supplies.

Seven of the 13 consumer associations were formed for conducting general mercantile stores, and one association each for providing members with petroleum products, conducting a general farm, a restaurant, a bakery, a garage, and a summer camp.

Five associations were dissolved during the year, making the net gain in number of associations 28.

When the present New York State Department of Agriculture and Markets began to function ten years ago, there were but 17 active associations in the state organized under the cooperative act. To-day there are about 1,100 active cooperatives which handle a combined annual business of about \$115,000,000. The records of the State Department of Agriculture and Markets indicate that 45 distinct and different activities are carried on by these associations. Furthermore, the records indicate that 77 per cent of the associations to which charters have been issued during the ten-year period are still "actively engaged in doing the things they started out to do."

Many of the associations are made up of groups of consumers who seek to supply their needs at cost.

Since the passage in 1913 of the original cooperative act, laws have been enacted providing for membership associations, for consumers' organizations, and for centralized associations. All these acts were consolidated in 1926 into a single law.

REPORTED BY THE ASSOCIATIONS

Twenty-seven local associations in Nebraska for collective buying of gasoline and kerosene are now affiliated with the state association, the Nebraska Farmers' Union Cooperative Oil Association.

The management of the Farmers' Union Live Stock Commission of Sioux City, Iowa, has contracted for broadcasting service from 12:45 to 1:00 P. M. daily, for the purpose of giving market news on livestock.

Twice as many orders for fertilizers and three times as many orders for nitrate of soda were handled this spring by the Tennessee Cooperative Supplies Association, Columbia, Tenn., as were handled a year ago, according to a recent report by the management.

Two sweet potato curing houses were built in Rutherford County, North Carolina, last fall under the auspices of the Farmers' Federation, Asheville. Both were filled to capacity and all the potatoes have been sold this spring, mostly in local markets, thereby adding from \$12,000 to \$15,000 to the incomes of the farmers who stored their potatoes.

More fertilizer is being bought in Alabama on the cooperative plan this year than ever before by Alabama farm bureau members. The quantities handled have been as follows: 1923, 39,000 tons; 1924, 68,000 tons; 1925, 81,783 tons; 1926, 73,215 tons; 1927, 38,379 tons. The present season a tonnage of 100,000 seems assured. These cooperative purchases have saved many dollars for the farmers.

Seventy men and women, representing 25 consumers' cooperatives in the East, met at Stafford Springs, Conn., April 22, for an all day conference. Following a report on the joint buying of flour, coffee, canned goods and other bulk groceries, fruits and vegetables, for co-operative bakeries, stores and restaurants, the directors were instructed by unanimous action to proceed to incorporate a cooperative wholesale society.

The 35 local units of the Colorado Bean Growers' Association, Denver, are to serve as local committees in a membership campaign now being planned. Preceding the actual canvass for new members, a one-day cooperative school will be held in each community where there is a local association. These schools are being conducted by the Colorado Director of Markets who is assisting the bean growers in the solution of their marketing problems.



COOPERATIVE MARKETING JOURNAL FOR MARCH

The Cooperative Marketing Journal for March, 1928, is given entirely to the proceedings of the National Association of Marketing Officials, which organization held its ninth annual meeting in Chicago, November 28-30, 1927.

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NEW MEXICO ISSUES BULLETIN ON COOPERATION

"Farmers' Cooperation in New Mexico, 1925-26, " is the title of bulletin No. 164 of the Agricultural Experiment Station of the New Mexico College of Agriculture and Mechanic Arts. The author found 28 associations in the state which he grouped as follows: 14 farm crop associations; 3 produce associations; 4 buying and selling associations; 2 fruit and vegetable associations.

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SEVENTH PRELIMINARY REPORT OF FARMERS' ELEVATOR STUDY

"Series of 1926-27, Part I -- Summary of Information for Use of Farmers' Elevators in Reflecting Premiums for High Protein Wheat to Growers," continues the reports of the study of farmers' elevators in the spring wheat area. This seventh number of the series deals with the problems involved in handling variations in protein content of wheat in an equitable manner. A number of involved factors are discussed and suggestions offered for dealing with the problems. Copies of the report may be procured from the Division of Cooperative Marketing, U. S. Department of Agriculture, Washington, D. C.

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POSSIBLE SERVICES OF COOPERATIVE COTTON GINS

"Possible Services of Cooperative Cotton Gins," an address by James S. Hathcock before the School of Cooperative Marketing, College Station, Texas, March 1, 1928, has been issued in multigraphed form by the Division of Cooperative Marketing, U. S. Department of Agriculture, and is available for distribution upon request. Following a brief outline of the history and trends of the ginning industry and a description of the gins of northwest Texas, the paper deals largely with the possible services which local cotton gins may perform, especially in the cooperative marketing of cotton.



SELECTED LIST OF PUBLICATIONS AND ARTICLES

- Bartlett, R. W. Connecticut Milk Producers' Association Has Combination Sales Plan. Dairymen's Price Reporter, Pittsburgh, Pa., April, 1928, p. 8.
- Commander, C. C. Why Florida Citrus Exchange Has Only 35 per cent Control. Seald-Sweet Chronicle. Tampa, Fla., April 15, 1928, p. 2.
- A Cooperative Creamery in Southern Iowa. Iowa Homestead. Des Moines. Iowa, April 12, 1928, p. 1.
- Dafoe, S. W. Looking Through the Cooperative Window. O. K. Bulletin, Vancouver, B. C., April, 1928, p. 1.
- Dairyman's Cooperative Sales Company Faces Fight for Markets. Dairyman's Price Reporter, Pittsburgh, Pa., April, 1928, p. 3.
- Garrard, W. M. The Necessity of Surplus Control. The Staple Cotton Review, Greenwood, Miss., April, 1928, p. 8.
- Illinois Agricultural Association Sees Farmers' Elevators as Foundation of Grain Marketing Plan. Illinois Agricultural Association Record, Mt. Morris, Ill., April, 1928, p. 1.
- Lacey, John J. A Story of Marketing and Men: How the Muncie Dairy Cooperative Finally Won Out and Now Maintains a Growing Business. Indiana Farmers' Guide, Huntington, Ind., April 28, 1928, p. 4.
- Orr, John T. Advancement and Position of Cotton Cooperative Marketing. (Address) Farm Bureau News, Dallas, Texas, April 15, 1928, p. 2.
- Sherman, Val C. Colorado Bean Growers' Association to Close Pool: Definite Dead Line for Accepting Memberships Will Be Fixed. Western Farm Life., Denver, Colo., April 15, 1928, p. 5.
- Strain, John. Universal Cooperation Attainable Through Cooperative Education. (Address) Western Producer, Saskatoon, Sask., April 28, 1928, p. 18.
- Wyckoff, L. K. Cooperative Marketing Will Succeed. Hoosier Farmer, Indianapolis, Ind., April 15, 1928, p. 10.

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